4CAQTF Power Plant and Other Sources Work Group Combined Drafting Teams Round 2 – Renewable Energy, Energy Efficiency and Conservation Mitigation Options Prepared 11/27/06

1. Expand Renewable Portfolio Standards (RPS) to be Mandatory for Coops and Municipalities in Four Corners Area.

Rural coops wanted to protect customer rates. Expand to Coops/municipalities (not just investor owned utilities). Would need incentives. State production tax credit for capital costs for solar. There is a .01 production tax credit now—but that wouldn't bring costs down much. Also address Colorado. HM 49 (2004) and accompanying report looked at this.

Drafting Team: Maureen G.(lead), Mike F., Mike D'Antonio, Mark M.

2. Building Standards for Increased Commercial and Residential Energy Efficiency (EE)

"Energy 10" software developed by NREL to turn building specs into energy efficient. NM energy office has green building program—there are tools with EPA (energy star) available for use by consumers. The Leadership in Energy and Environmental Design (LEED) certification for buildings (can be costly). Even consideration of these standards would be helpful. Habitat for humanity could build energy efficient buildings.

Drafting Team: Stacey S.(lead), Wilson L., Beverley W.

3. Communicate Potential Cost Savings through Energy Bills.

Utility bill inserts to show savings if less electricity was used / Other utility bill additions to educate consumer? **Drafting Team: Jack S.(lead)**

4. Corporate Rebate/Incentives for Energy Efficiency

e.g., free electric mowers in exchange for gas mowers, Trade in small engines to convert to electric, insulation retrofitting.

Drafting Team: Stacey S.(lead), Wilson, Bev (include in #2?)

5. Subsidization of Land Required to Develop Renewable Energy – e.g. Solar, wind

Private property prices for project development? Subsidization of land. Would need 5 acres per MW for solar. Would this be a project for BLM land? A: leasing for that use could happen. Mitigation here would be how to reduce barriers. Q: has NN thought of renewables? A: tribe has been interested in studying renewable resources out there. 2 wind projects being considered on AZ side.

Drafting Team: Mark J, Nathan P?, Karl, NN?

6. Clean Coal Technology Incentives

Clean coal technology incentives would help maintain the economic viability of area. Feasibility studies, cost recovery, like in Colorado. DOE has incentive program.

Drafting Team: Isabella J.(lead)

7. Four Corners States Adopt California Standards for Purchase of Clean Imported Energy

Drafting Teams: Don A. (lead), Marilyn B.

8. Other Four Corners States Follow New Mexico Lead on Energy Efforts (Renewable Energy Tax Credits, Net Metering, & Renewable Portfolio Standards)

Ie, Colorado had amendment 37. Tax credits for renewable energy

Where are UT and AZ wrt. Renewable energy policy?

Drafting Team: Kelly P.(lead)

9. Use Distributed Energy /Off-grid

Drafting Teams: Marilyn B.(lead)

10. Pilot Neighborhood project to Change Behavior to Reduce Energy Use – Increase Efficiency

Drafting Teams: Gordon G. (lead)

11. Energy Cost Restructure (Time of Day, Amount)

What about water structure—where usage over a certain amount is charged a higher rate. Increase rates for increase usage, decrease rates for decreased usage – time of day cost fluctuations

Drafting Team: Marilyn B.(lead), Gordon G., Maureen G.,

12. Volunteers do Home Audits for Energy Efficiency

Audits of low income areas to find simple solutions. Farmington had "make a difference day" at college, where they went to 10 homes with weatherization checklist. Could utilities promote this? In Colorado, volunteers of America do this after a 5-hr training.

Drafting Team: Stacey S(lead), Mark J.

13. County Planning Promotion of High Density City Living as Opposed to Dispersed Homes throughout the

County. Thus reducing distribution losses of power and reduced travel

Drafting Team: Ted M., team TBD

14. Promote Solar Electrical Energy Production with Feedback to the Grid.

If it could be worked out, it would be a benefit.

Drafting Team: Ted M., team TBD

15. Renewable Energy Credits

Energy Efficiency/Renewable Energy Credits

Description: EE/RE Credits --- Colorado is presently reviewing the use of energy efficiency and renewable energy as part of environmental permitting process for stationary sources. In principle, facilities implementing activities that lead to energy efficiency and rely upon renewable energy can receive additional incentives/flexibility in their State air quality permits. This might be a model that could be applied to other facilities in the Four Corners area

Drafting Team: Mark M.(idea), Drafting lead TBD

16. Net Metering for Four Corners Area, Drafting Team: Mark J & Others

17. Energy Conservation by Energy Utility Customers

This option would require all generators of power (renewable and non-renewable sources) in the Four Corners area to develop a program which causes their customer base to reduce per capita power usage each year for five years until an agreed upon endpoint is reached. The owners of all facilities that generate power, irrespective of how it is generated, should be required to develop or participate in a program which encourages their customer base to reduce per capita, per household, per production unit (or whatever other measure is equivalent for non-residential customers) use of power each year for five years until some reasonably aggressive endpoint is reached. The percent annual reduction would be 20% of the difference between the baseline usage and the five year goal.

Drafting Team: Marilyn B.(lead)*Already Drafted in Draft Task Force Report 4., comments welcome

18. Outreach Campaign for Conservation & Wise Use of Energy

Conservation/outreach—why aren't we looking at this more? Energy efficiency is more desirable – "conservation" implies personal sacrifice. Could option be public outreach campaign around conservation? Canada tried this—people really don't sacrifice unless there's \$ incentive. NM does have a public campaign—benefits of conserving energy, because behavior is crucial for wise use of energy. That office would like to work on this in 4C area. Promotion of college energy programs (local colleges). Maybe utilities can do campaign—where they tell consumers how much \$ a reduction of KW hours would be.

- Outreach
- Promote expansion of programs at local colleges
- raising consciousness
- -education of primary school students

Drafting Team: Sug (lead), Mark J., Jack S.